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RE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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DOCKETED

AUG 10 2016

DOCKETED BY

[Signature]

IN THE MATTER OF:

DOCKET NO. S-20977A-16-0242

JOHN ANTHONY WASZOLEK (CRD NO. 800403)
and KATHLEEN WASZOLEK, husband and wife,

Respondents.

SECOND
PROCEDURAL ORDER
(Schedules Hearing)**BY THE COMMISSION:**

On July 8, 2016, the Securities Division (“Division”) of the Arizona Corporation Commission (“Commission”) filed a Notice of Opportunity for Hearing Regarding Proposed Order for Restitution, for Administrative Penalties, of Revocation, and for Other Affirmative Action (“Notice”) against John Anthony Waszolek and Kathleen Waszolek, husband and wife (the “Waszoleks” or “Respondents”), in which the Division alleged violations of the Arizona Securities Act (“Act”).

The spouse of John Anthony Waszolek, Kathleen Waszolek (“Respondent Spouse”), is joined in the action pursuant to A.R.S. § 44-2031(C) solely for the purpose of determining the liability of the marital community.

Respondents were duly served with a copy of the Notice.

On July 22, 2016, the Waszoleks filed a Request for Hearing pursuant to Arizona Administrative Code (“A.A.C.”) R14-4-306.

On July 25, 2016, by Procedural Order, a pre-hearing conference was scheduled to commence on August 10, 2016.

On August 10, 2016, the pre-hearing conference was held as scheduled. The Division and the Respondents appeared through counsel. The scheduling of a hearing date was discussed. Counsel for the Respondents also requested scheduling a settlement conference, which was opposed by the Division, and denied by the Administrative Law Judge as premature at this time.

1 Accordingly, a hearing should be scheduled.

2 **Consent to Email Service**

3 **The Commission is appreciative of parties' requests to receive service by email.**

4 **The Commission has implemented a procedure whereby all filings made by a**
5 **Commissioner, the Commission's Executive Director, or a Commission Division will**
6 **automatically be served via email on parties who have consented to email service. The email will**
7 **contain a link to access the filing online.**

8 **Parties who do not consent to email service will not be provided documents filed by a**
9 **Commissioner, the Commission's Executive Director, or a Commission Division via an email. In**
10 **addition, they may not be able to receive some documents, such as Amendments to Open Meeting**
11 **Agenda items.**

12 **IT IS THEREFORE ORDERED that a hearing shall be held commencing on January 17**
13 **2017, at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Hearing Room**
14 **No. 2, Phoenix, Arizona.**

15 **IT IS FURTHER ORDERED that the parties shall also reserve January 18-20 and 23, 2017,**
16 **for additional days of hearing, if necessary.**

17 **IT IS FURTHER ORDERED that the Division and Respondent shall exchange copies of**
18 **their Witness Lists and copies of the Exhibits by November 15, 2016, with courtesy copies provided**
19 **to the presiding Administrative Law Judge.**

20 **IT IS FURTHER ORDERED that if the parties reach a resolution of the issues raised in the**
21 **Notice prior to the hearing, the Division shall file a Motion to Vacate the Proceeding.**

22 **IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized**
23 **Communications) is in effect and shall remain in effect until the Commission's Decision in this matter**
24 **is final and non-appealable.**

25 **IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to this**
26 **matter may opt to receive service of all filings in this docket, including all filings by parties and all**
27 **Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the**
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Commission's Hearing Division, via email sent to an email address provided by the party rather than via U.S. Mail. **To exercise the email service option, a party shall:**

1. Ensure that the party has a valid and active email address to which the party has regular and reliable access ("designated email address");
2. Complete a Consent to Email Service using the form available on the Commission's website (www.azcc.gov) or a substantially similar format;
3. File the original and 13 copies of the Consent to Email Service with the Commission's Docket Control, also providing service to each party to the service list;
4. Send an email, containing the party's name and the docket number for this matter, to HearingDivisionServicebyEmail@azcc.gov from the designated email address, to allow the Hearing Division to verify the validity of the designated email address;
5. Understand and agree that service of a filing on the party shall be complete upon the first of the following to occur: (1) the sending, to the designated email address, of an email containing an electronic copy of the filing or a link to access the filing online; or (2) for a filing made by a Commissioner, the Commission's Executive Director, or a Commission Division, the making of the filing with a service certification including coding indicating that an automatic service email for the filing shall be sent to each party whose consent to email service has been approved;
6. Understand and agree that the party may provide additional email addresses on the Consent to Email Service for individuals to whom the party desires to have service emails sent as a courtesy, but that these courtesy email addresses are not the designated email address and will not be verified; and
7. Understand and agree that the party will no longer receive service of filings in this matter through First Class U.S. Mail or any other form of hard-copy delivery, unless and until the party withdraws this consent through a filing made in this docket.

IT IS FURTHER ORDERED that a party's consent to email service shall not become effective until a Procedural Order is issued approving the use of email service for the party. The

1 **Procedural Order shall be issued only after the party has completed steps 1 through 4 above, and**
2 **the Hearing Division has verified receipt of an email from the party's designated email address.**

3 **IT IS FURTHER ORDERED that a party's election to receive service of all filings in this**
4 **matter via email does not change the requirement that all filings with the Commission's Docket**
5 **Control must be made in hard copy and must include an original and 8 copies.**

6 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
7 31, 38, 39, and 42, and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

8 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
9 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
10 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances at
11 all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled
12 for discussion, unless counsel has previously been granted permission to withdraw by the
13 Administrative Law Judge or the Commission.

14 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,
15 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by
16 ruling at hearing.

17 DATED this 10th day of August, 2016.

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20 MARK PRENY
ADMINISTRATIVE LAW JUDGE

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22 On this 10th day of August, 2016, the foregoing document was filed with Docket Control as a
23 Procedural Order –Sets a Hearing, and copies of the foregoing were mailed on behalf of the Hearing
24 Division to the following who have not consented to email service. On this date or as soon as
possible thereafter, the Commission's eDocket program will automatically email a link to the
foregoing to the following who have consented to email service.

25 Alan S. Baskin
26 2901 North Central Avenue, Suite 1150
Phoenix, Arizona 85012
27 Attorney for Respondents John Anthony Waszolek and Kathleen Waszolek
28

1 Matthew Neubert, Director
2 Securities Division
3 ARIZONA CORPORATION COMMISSION
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5 Phoenix, AZ 85007

6 COASH & COASH, INC.
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By: 

Amy Wilson

Assistant to Mark Preny